

**MINUTES OF THE  
CALIFORNIA INFRASTRUCTURE AND  
ECONOMIC DEVELOPMENT BANK**



For the meeting held on  
Tuesday, September 22, 2015, at 2:00 p.m.  
Park Tower  
980 9th Street, 2<sup>nd</sup> Floor Conference Room  
Sacramento, CA 95814

Chairman Mike Rossi called the meeting of the California Infrastructure and Economic Development Bank (IBank) Board to order at approximately 2:04 p.m.

**1. Call to Order and Roll Call**

The following Board members were in attendance:

Mike Rossi, Senior Advisor for Jobs and Business Development, Office of the Governor  
Todd Jerue, for the Director of the Department of Finance  
Alan Gordon, for the State Treasurer  
Brian Annis, for the Secretary of the State Transportation Agency  
Peter Luchetti, Governors Appointee, by phone

The IBank staff members in attendance:

Teveia Barnes, William Pahland, Marilyn Munoz, and Fariba Khoie

**Information Item**

**2. Executive Director's Report**

The Executive Director, Ms. Teveia Barnes, reported Ruben Rojas resigned effective September 11, 2015. IBank is working with the Governor's Office to fill the vacancy.

**Consent Item**

**3. Approve minutes from the meeting held on August 25, 2015**

Chairman Rossi called for questions or comments from the Board and the public on the minutes of the August 25, 2015, IBank Board meeting. Hearing no comments, Chairman Rossi entertained a motion to approve this consent item. Mr. Gordon moved to approve the minutes and Mr. Jerue seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved the minutes.

**Action Items**

Upon the request of Chairman Rossi, the action items were taken out of order.

**5. Resolution No. 15-13 approving the issuance of Tax-Exempt and Taxable Obligations in an amount not to exceed \$6,500,000 to provide financial assistance for an eligible project located in Chatsworth (City of Los Angeles), California for the benefit of Chatsworth Hills Academy, Inc., a California nonprofit public benefit corporation, providing the terms and conditions for said Tax-Exempt and Taxable Obligations and other matters relating thereto and authorizing the execution of certain documents associated therewith. This will be a Private Placement.**

The Secretary of the Board read the Resolution. Chairman Rossi asked if there was any risk to IBank in connection with this transaction.

Ms. Barnes stated that this is a conduit bond transaction and as such IBank's obligations under this transaction are limited.

Mr. Gordon asked whether this obligation would be sold to institutional investors or whether it was for the retail market. He also asked what kind of check IBank uses in regards to the investors.

Chairman Rossi asked if this should be a question for the underwriter.

Mr. Balisy from Kutak Rock, Inc. responded the holders of the obligation will be accredited investors.

Ms. Barnes added that IBank has developed and utilizes a check list to review the borrowers' eligibility.

Chairman Rossi asked if there was any public comment. Hearing no comments, Chairman Rossi entertained a motion to approve this action item. Mr. Gordon moved to approve and Mr. Jerue seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved Resolution No. 15-13.

**6. Resolution No. 15-14 approving the issuance of Tax-Exempt and Taxable Obligations in an amount not to exceed \$360,000,000 to provide financial assistance for an eligible project located in the City of Los Angeles, California, for the benefit of Academy Museum Foundation (formerly known as Homewood Foundation), a California nonprofit public benefit corporation, and its affiliates, providing the terms and conditions for said Tax-Exempt and Taxable Obligations and other related matters, and authorizing the execution of certain associated documents. This will be a Public Offering and/or Private Placement in one or more Series or combinations.**

The Secretary of the Board read the Resolution. Chairman Rossi asked if there were any questions.

Mr. Gordon said he is asking the same question as to whether institutional investors would be purchasing the bonds for this transaction and whether the bonds would be sold in a combination of public offering and private placement.

Ms. Barnes responded this transaction was designed to include the flexibility for the bonds to be sold as a combination of both private placement and public offering, or just a public offering, and that the private placement obligations (if any) would be sold to institutional investors.

Chairman Rossi asked if this is a conduit bond transaction.

Ms. Barnes responded yes, this is a conduit bond transaction and therefore IBank's liability is limited.

Chairman Rossi asked if there were any other questions. Hearing none, he asked if there was any public comment. Hearing no comments, Chairman Rossi entertained a motion to approve this action item. Mr. Gordon moved to approve Resolution 15-14 and Mr. Jerue seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved Resolution No. 15-14.

**4. Amendment of Resolution No. 14-06 to change the financing structure for the proposed Infrastructure State Revolving Fund Program financing for Theatre for Children,**

**Inc. dba The B Street Theatre, in an amount not to exceed \$8,400,000, to Amendment of Resolution No. 14-06 to change the financing structure for the proposed Infrastructure State Revolving Fund Program financing for Theatre for Children, Inc. dba The B Street Theatre, in an amount not to exceed \$8,400,000, to provide funds to finance an eligible project known as the B Street Theatre Project located in the City of Sacramento.**

The Secretary of the Board read the Resolution for The B Street Theatre. Chairman Rossi asked if there were any questions.

Chairman Rossi asked a question regarding the second bullet on page 4 referring to the City of Sacramento's \$2.5M loan to the Applicant.

Ms. Barnes replied this is a forgivable loan with a single disbursement; the intent is for the City of Sacramento to make a single disbursement to fund the loan.

Mr. Luchetti stated the staff report shows a disbursement over 10 years and the staff report should be updated to reflect a single disbursement.

Chairman Rossi asked about the line of credit from Sierra Vista.

Ms. Barnes replied all pledges in excess of \$1.6 will go to secure IBank's loan. Sierra Vista has received a guarantee under the Small Business Loan Guarantee program.

Chairman Rossi stated the sources and uses chart on page 4 should be revised to reflect the Sierra Vista line of credit.

Ms. Barnes agreed and said the minutes will reflect this change.

Mr. Luchetti asked about the credit risk exposure due to the Small Business Loan Guarantee.

Chairman Rossi requested this to be shown in the Revised Project Sources and Uses chart on page 4 by adding a line beneath the "Total" row.

Chairman Rossi asked if there were any other questions. Hearing none, he asked if there were any public comments.

Mr. Bill Blake, Managing Director of The B Street Theatre, thanked the IBank staff, the Board and everyone who has helped with the financing of this project.

Chairman Rossi entertained a motion to approve this action item. Mr. Gordon moved to approve and Mr. Jerue seconded the motion. The Secretary of the Board took the roll call vote and the Board unanimously approved the Third Amended and Restated Resolution 14-06.

### **Non-Action Items**

Chairman Rossi asked if there were any questions regarding the investment report and asked if there were any public comments concerning IBank. Receiving none Chairman Rossi asked for a motion to adjourn.

### **Adjournment**

Mr. Gordon moved to adjourn and Mr. Jerue seconded the motion. Chairman Rossi declared the meeting adjourned at approximately 2:22 p.m. The Secretary of the Board took a roll call vote and the Board unanimously adjourned the meeting.